

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Leader's Portfolio Holder Meeting

15 July 2010

**AUTHOR/S:** Executive Director (Corporate Services)

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### **NATIONAL INDICATOR (NI) 179 (VALUE FOR MONEY GAINS) - ACTUAL 2009/10**

#### **Purpose**

1. The purpose of this report is to seek approval for the Leader, the Chief Executive and Executive Director (Corporate Services) to certify the figure of £1,628,834 to be reported to the Department for Communities and Local Government (DCLG) as the actual amount of value for money gains achieved from 1 April 2008 to 31 March 2010.
2. This is not a key decision; however, it has been brought to the Leader's Portfolio meeting because guidance from the DCLG is that the Leader of the Council, the Chief Executive and the Chief Financial Officer (Section 151 Officer) should see, certify and approve the National Indicator (NI) 179 (value for money gains) calculation. It was first published in the March 2010 Forward Plan.

#### **Recommendations and Reasons**

3. That the Leader approves the certification by the Leader, the Chief Executive and the Executive Director (Corporate Services) of the figure of £1,628,834 as the actual amount of value for money gains achieved from 1 April 2008 to 31 March 2010, to be reported to the DCLG.
4. The actual amount of value for money gains achieved from 1 April 2008 to 31 March 2010 has to be approved and certified by the Leader, the Chief Executive and the Chief Financial Officer (Section 151 Officer) and submitted to the DCLG by 23 July 2010.

#### **Background**

5. Within the Comprehensive Spending Review 2007 (CSR07), all public services were set a target of achieving at least 3% net cash-releasing value for money gains per annum over the period 2008/09 to 2010/11. NI 179 sets out the following requirement:

*Value for money – total net value of ongoing cash-releasing value for money gains that have impacted since the start of the 2008/09 financial year*

However, there is no mandatory efficiency target for individual councils, although other assessments also mean that the Council needs to continue to deliver efficiency savings, e.g. the Audit Commission's Value for Money conclusion.

6. The Council has to report on NI 179 twice for each financial year:
  - (a) the forecast of the gains expected to be achieved since 1 April 2008 by the end of that financial year, in October (this was done on 23 October 2009 for 2009/10);

(b) the actual value of gains achieved by the end of the financial year just concluded, in July (i.e. for 2009/10, by 23 July 2010).

7. The DCLG advised that councils could also count the value of any cash-releasing (i.e. 'cashable') gains achieved before 2008/09 where they were both ongoing and in excess of the council's previous 7.5% (overall) efficiency target for the Spending Review 2004 ("SR04") period. The DCLG further advised that they were assuming that these gains qualify as ongoing throughout the CSR07 period, so they would continue to be part of the NI 179 return.

### Considerations

8. In October 2009, Cabinet agreed that the amount of £1,564,000 be submitted to the DCLG as the Council's forecast against NI 179 of the total cumulative ongoing cash-releasing value for money gains expected to be achieved since 1 April 2008 by the end of the 2009/10 financial year, made up as follows:

(a) ongoing gains from SR04	£266,000
(b) ongoing gains achieved in 2008/09	£987,000
(c) new gains for 2009/10	£311,000
(d) total forecast	<u>£1,564,000</u>

This amount was reported to the DCLG on 23 October 2009.

9. An Efficiency Savings Project Team met regularly during 2008/09 and 2009/10 to consider and generate savings proposals, and monitor the delivery of the savings proposed. The savings achieved are set out below (details are provided in **Appendices A, B and C**, respectively):

(a) ongoing gains from SR04	£478,994
(b) ongoing gains from 2008/09	£697,633
(c) new gains in 2009/10	£452,207
(d) total achieved	<u>£1,628,834</u>

### Implications

10. Financial	Savings achieved above the levels incorporated into the Council's Medium Term Financial Strategy (MTFS) could help offset costs of meeting service and growth demands. The ongoing savings achieved will be taken into account when the MTFS is next revised.
Risk Management	The Efficiency Savings Project Team identifies and oversees the implementation of efficiencies and savings, both to achieve the Council's targets and to help maintain a balanced MTFS. This risk of not achieving ongoing cash-releasing savings is monitored as part of the Council's risk management process.
Legal, Staffing, Equal Opportunities, Climate Change	There are no legal, staffing, equal opportunities or climate change implications resulting from this report.

## **Consultations**

11. Members of the Efficiency Savings Project Team and other lead officers have been consulted regarding the achievement of individual savings making up this report.
12. The Policy and Performance Portfolio Holder, as the lead Member for value for money, has been advised of the contents of this report.

## **Effect on Strategic Aims**

13. This report relates to the Council's strategic aim of being a listening council, providing first class services accessible to all:
  - (a) The achievement of ongoing cash-releasing savings contributes towards obtaining best value for money in the delivery of high quality services.

## **Conclusions / Summary**

14. The Council has achieved ongoing cash-releasing value for money gains of £1,628,834 since the start of the 2008/09 financial year, exceeding its forecast of £1,564,000 by £64,834.
15. The actual amount of value for money gains achieved from 1 April 2008 to 31 March 2010 needs to be approved and certified by the Leader, the Chief Executive and the Executive Director (Corporate Services) and submitted to the DCLG by 23 July 2010.

**Background Papers:** the following background papers were used in the preparation of this report:

None unpublished

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